

# Brazil: Workers occupy factory where Lula once worked

Marcela Souza  
11 April 2007

Workers at the Fris-Moldu car plant outside of Sao Paulo have occupied the factory since February 21 to press their demand for unpaid wages, and have now begun camping out in front of the facility. For more than six weeks, the dispute has paralyzed production.

This plant, which today has 290 employees, once employed 2,000 workers making auto parts for Volkswagen and GM. Before the current confrontation, it also produced for big international carmakers like Fiat, Honda and Mitsubishi.

But, the factory is perhaps better known for an illustrious former lathe operator who worked there—none other than the current president of Brazil, Luíz Inácio Lula da Silva.

Thanks to his career as a trade unionist and president of the metalworkers union, when he led the major industrial strikes of 1978-1980, Lula left his factory job to become a federal deputy, a founder of the Workers Party (PT) and, finally, the occupant of the presidential palace, a position to which he was re-elected last year.

It is profoundly significant in terms of the real implications of his government's policies for the Brazilian working class as a whole that his former workmates at Fris-Moldu today confront conditions of complete instability. They have not been paid for weeks and many do not know who they can continue to support their families.

The workers have maintained their struggle through significant sacrifice and courage, organizing themselves into continuous shifts of 30 each to maintain control of the facility. They are determined to prevent the employers from resuming production without first paying them their back wages and to block any attempt by the bosses to sell off the factory's machinery.

The occupation has been threatened by both the courts the police riot squads. A judge accepted false allegations by the bosses that the workers are damaging the factory. In reality, the basis of the charges was a provocation carried out by one of the company's security guards, who took off with a television, some carpets and a telephone. Incredibly, the court accepted this as evidence that the workers were "vandalizing property" and issued an order that they leave the factory.

It is worth noting that the judge's actions are entirely in line with the policies of the former Fris-Moldu worker, Lula, who

bragged recently that only a government of ex-union leaders like his could successfully implement a new law sharply restricting the right to strike.

Now there is both a workers commission guarding the facility from inside and an employers' commission. The situation remains permanently tense, convincing the workers that the only way to guarantee the security of those inside was for others to set up the permanent camp at the factory's gates.

The employers have made various proposals to resolve the crisis. One of these was to sell off two of the factory's machines in order to raise a minimal amount of capital. It would be accompanied by the layoff of a section of the workforce, with a small amount of compensation and the possibility of returning if production recovered. The workers rejected this scheme.

One of the things that has emerged most clearly in the struggle of the Fris-Moldu workers is the passivity of the metalworkers union of the "ABC" region, the industrial suburbs of Sao Paulo—the union that Lula once led. The bureaucrats claim that they are supporting the strikers, but at no point have they made any attempt to mobilize the ranks of the union to defend the occupation.

According to the union, it made various attempts to negotiate a settlement with the company before the occupation and reached "various agreements to resolve the questions of back pay, health care, insurance ... There were some 15 agreements in six or seven months that were not carried out." The obvious question is why the union let some 15 agreements be violated without initiating any struggle.

The situation confronting the workers has been deteriorating steadily for the past several years, but the process accelerated significantly beginning in 2004, when José R. F. Rivielli, the company's current director, took over.

The workers have gone unpaid since January. Employer social security and other labor benefits contributions guaranteed by law also went unpaid for no less than seven years. For the past eight months, the company has also reneged on payments into the health plan. Management of the factory's canteen, which is contracted out, has turned over five times in the recent period, apparently also because of the company's failure to meet payments.

Similarly, plant security has gone through five outside companies. “All of this was hurting us, resulting in terrible services and uncertainty; we already knew that the factory was headed towards bankruptcy,” one worker told the WSWS.

One of his co-workers on the picket line added, “Not even life insurance, which is guaranteed by law, was paid by the boss. Imagine, a company that doesn’t pay for life insurance! And if someone dies inside in a work accident? How would we make out? Our families would have no guarantees whatsoever!”

All of this led the workers to the realization that they had no other means of defending their rights outside of occupying the plant. As another worker recounted, “In January, the bosses didn’t even buy raw materials. We produced with what we had left here. Today, if we were to return to work, there would be no way to restart production. There are no more raw materials.” This situation has been growing worse since September 2006, when GM, which accounted for 60 percent of the plant’s production, terminated its contract with Fris-Moldu Car.

According to the workers, the situation has been gravely aggravated by the corruption and rapacious character of management. “Look,” said one worker, “without the boss and this management, we ourselves could have run the factory much better.” Others charged management with diverting money out of the company. “In January, there were sales of 1 million *reais* [nearly half a million dollars US]. We, however, didn’t see any of this money. The cost of paying our salaries would have been just 580,000 *reais* ... it was plenty to pay everybody. But we didn’t see a cent of this money. We only saw their helicopter, their imported car and the luxury enjoyed by management.” The workers noted that the owner, Rivielli, also owns a bank.

One of the workers produced a photograph showing a company director seated on a couch with a transvestite on his lap. “They had management parties at all hours in the factory itself,” one of the workers said angrily. “And these were their guests, transvestites.”

Workers accused management of gross incompetence in running the company, while sucking out all of its resources. Damião, a member of the factory commission, said, “They had no new products. Things change in two or three years. Without new products they lose the client. Employees have developed new products, but everything went into a drawer and stayed there, lost.”

Another worker commented, “There were delays in production and the company had to pay fines. The carmaker, GM or Volkswagen, needed the part on that day, and if the part wasn’t there on that day, they had to pay a fine for delaying production. Then they would blame us, the workers.” These accusations, in turn, would be used as justifications for not paying out the installments of back wages that were agreed to.

The courts had set March 14 as a deadline for seizing the company’s assets, but the process has been continually delayed

and postponed. The workers in their majority express the opinion that the court should guarantee their control of the factory, in order to restart production without management.

Their immediate concern is to keep the machinery and installation intact. “Now he—the boss—has already taken out everything he had to take,” said one worker. “He took it all away and left us in this situation. He shouldn’t come back. He’s over there in Santos with his helicopter ... That’s the way it is: he came, cleaned up everything, and took off with everything.”

The occupation and encampment in front of the plant are being maintained, in the words of one of those guarding the factory “so that there isn’t any removal of the equipment, but also to guarantee the security of the means of production and to not give any room for an attack on the workers themselves.” Another added, “United, we won’t let anything more out of here.”

Some of the workers are putting forward the perspective of creating a cooperative. There already exists the example of the Conforja plant in Diadema, a nearby town. “At the beginning they suffered losses, until they organized everything, winning back their clients, and today it seems that they are even hiring,” said one worker.

Another worker commented, laughing, “If Lula, who was our colleague, who worked here, all dirty like us, can be president and administer the country, if he can even meet Bush and make international deals, we can run the factory and do very well for ourselves.”

While the workers’ hatred of the employers and their confidence in their own ability to run production are more than understandable, the creation of isolated cooperatives is no solution either for the work force as a whole or for the crisis-ridden society. In general, these proposals for cooperatives, including those that succeed, only create new bosses and new forms of capitalist exploitation.

Only a genuinely socialist project for the reorganization of the entire world economy, under workers’ control, can provide a way out of the conditions of deepening unemployment and capitalist barbarism emerging on a world scale.

In Brazil, the struggle to realize this perspective inevitably takes the form of a political confrontation between the workers at Fris-Moldu and the Brazilian working class as a whole and their old workmate Lula, who heads a government that defends the interests of the employers and finance capital, both foreign and domestic.



To contact the WSWS and the Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**